

Illinois Power Company  
500 South 27th Street  
Decatur, IL 62521-2200

OFFICIAL FILE

ILLINOIS COMMERCE COMMISSION

ORIGINAL

Q3-0757

November 14, 2003

ILLINOIS POWER

Part of the DYNEGY Performance Team

Elizabeth A. Rolando, Chief Clerk  
Illinois Commerce Commission  
527 East Capitol Avenue  
Springfield, Illinois 62701

Dear Ms. Rolando:

Enclosed for filing pursuant to Section 16-111(g) of the Public Utilities Act is the original of Illinois Power Company's ("Illinois Power" or "IP") Notice that it is entering into a First Amendment to the Sublease dated as of October 1, 1999 between Illinois Power, as sublessor, and Dynegy Midwest Generation, Inc. ("DMG"; formerly known as Illinova Power Marketing, Inc.), as sublessee (the "Sublease") relating to the Equipment (as defined in the Sublease). The Equipment consists of the combustion turbine generating units and associated equipment located at the site commonly referred to as the Tilton Energy Center.<sup>1</sup> The purpose of the Amendment is to clarify that, as a result of Illinois Power exercising the "Purchase Option" under that certain amended and restated Participation Agreement dated October 20, 2002, by and among Illinois Power, as Lessee, ABN AMRO Bank, N.V., as Agent Lessor, and certain other participants, DMG will be designated as the recipient of the Equipment, will be obligated to reimburse Illinois Power for the purchase price of the Equipment, and will be entitled to receive delivery of the Bill of Sale for the Equipment from the Agent Lessor.

DMG presently subleases the Equipment from IP pursuant to the Sublease and is the operator of the Equipment. The Amendment will clarify that upon termination of the Participation Agreement, Illinois Power's residual interest in the Equipment, as lessee, will be transferred directly by the Agent Lessor to DMG, DMG will reimburse IP for the purchase price due from IP to the Agent Lessor for the residual value of the Equipment, and the Agent Lessor will deliver the Bill of Sale for the Equipment to DMG. The end result will be that DMG will be the owner of the Equipment, and Illinois Power will be fully reimbursed by DMG for the

<sup>1</sup>The Equipment is described as follows on Exhibit A to the Sublease (and on Schedule III to the Participation Agreement): "Four General Electric model LM 6000 combustion turbines directly coupled to a 60-Hz air-cooled generator. Each combustion turbine unit includes dedicated auxiliary equipment of inlet air (including a dedicated chiller system), fuel, water injection for oxides of nitrogen control, exhaust, lubrication, auxiliary power and control. Each combustion turbine is housed in its own noise and weather enclosure. Each pair of combustion turbine units shares a common cooling tower and common facilities for makeup water treatment, wastewater treatment, control systems, control room, enclosures, heat, lighting, and communications."

purchase price of the Equipment that IP will owe the Agent Lessor pursuant to the Participation Agreement.

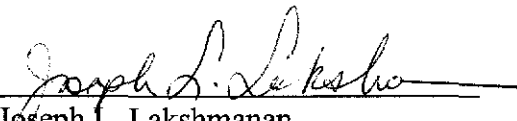
The Amendment provides, by its terms, that it is effective as of December 12, 2003, which is 30 days following the date of filing of this Notice.

Included as part of this Notice Filing are the following information and materials, which include the information required to be included in this filing per Section 16-111(g): (1) a copy of the Amendment; (2) accounting entries for the transaction and certification from an independent certified public accountant that the accounting entries are in accordance with generally accepted accounting principles; (3) a statement from IP's chief accounting officer that the cost allocations associated with the transaction are in conformance with guidelines previously approved by the Commission; (4) a description of how proceeds of the transaction will be used; (5) a list of all Federal and State approvals that Illinois Power has obtained or will obtain before implementing the transaction; and (6) an irrevocable commitment that Illinois Power will not, as a result of the transfer, impose any additional transition charges or stranded cost charges beyond what is authorized in the Public Utilities Act.

An additional copy of this Notice is being provided. Please time-stamp and return the extra copy of this Notice as verification of filing. Thank you for your assistance.

Very truly yours,

ILLINOIS POWER COMPANY

By   
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& Chief Legal Officer  
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**Attachments to Notice Letter**

**First Amendment to Sublease**

**Accounting Entries**

**CPA Certification**

**Chief Accounting Officer Certification**

**Use of Proceeds**

**Other Required Governmental Approvals**

**Statement Concerning Stranded Costs/Transition Charges**